

HOUSE BILL 1467

By Fitzhugh

AN ACT to amend Tennessee Code Annotated, Title 49,  
relative to local education support groups.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 2, is amended by adding Sections 2 through 9 of this act as a new, appropriately designated section thereto.

SECTION 2. This act shall be know as the “Local Education Support Group Financial Accountability Act of 2007”.

SECTION 3. The legislature recognizes the importance of educational support groups in providing financial support to help carry out athletic, academic, and social programs to further the educational opportunities for the children of Tennessee. The legislature also recognizes the concerns that parents and other persons who support these groups have in ensuring that money raised by these groups are safeguarded by them and used to further the activities for which the money is raised. In light of the forgoing, the legislature has determined that the following should be enacted to help ensure the continued support of athletic, academic, and social programs which help to educate the children of the State of Tennessee.

SECTION 4. As used in this part, unless the context otherwise requires:

(1) “local school support group” is defined to include a parent teacher association, parent teacher organization, parent teacher support association, or any foundation, booster club or other nongovernmental organization or group of people whose primary purpose is to collect or receive money to support a school district, school, school club, or any athletic, performing arts, or academic activity related to a public school.

(2) “activity funds” shall include all money received from any source for student activities and/or events held at or in connection with a school, including any money

derived from a performing arts, athletic, academic or social event involving students, raised by clubs involving students, fundraisers involving students under the guidance of a school official or teacher, or from any and all related activities of the school involving school personnel, students, or school property during the school day.

(3) "school support group funds" shall include all money raised by a school support group or any group which represents itself to students, parents or members of the general public to be a school support group.

#### SECTION 5.

(a) Before any group or association can be recognized as a local school support group the local board of education for that local education agency must adopt a policy concerning local school support groups.

(b) Neither a school board, director of schools, school principal, or other school official or employee may authorize a group or organization to use a school district's or school's name, mascot and/or logos, property or facilities for the raising of money until a policy specified in paragraph (a) has been adopted.

(c) Minimum Policy Requirements -The policy that a school board must adopt pursuant to the provisions of paragraph (a) must at minimum include the following requirements with regard to local school support groups:

(1) That a local school support group must submit to the Board of Education and/or the director of schools a copy of its organizational bylaws, constitution, and documentation of its recognition as a nonprofit organization or foundation prior to initiating support, assistance, or raising money for a school district, school, school club, or any athletic, performing arts, or academic activity related to a school.

(2) That a local school support group must operate within the applicable standards and guidelines set by a related State association, if applicable, and shall not promote, encourage or acquiesce in any violation of student or team eligibility requirements, conduct codes or sportsmanship standards.

(3) That a local school support group must upon formation and annually thereafter provide to the director of schools, the appropriate school principal and any related group sponsor or coach the names, telephone numbers and addresses of each officer of the group, and the position held.

(4) That a local school support group officers must ensure that local government support group funds are safeguarded and are spent only for purposes related to the goals and objectives of the support group. The organization shall maintain a written policy which specifies reasonable procedures for accounting, controlling and safeguarding any money collected or disbursed by the group.

(5) That a local school support group must notify and obtain the approval of the director of schools or his/her designee for any fundraising activity to assure that scheduling of fundraisers does not conflict with school district's or school's fundraising efforts and the fundraising process is consistent with the goals and mission of the school or school district. All fundraising activities shall comply with state and federal law.

(6) That a local school support group must provide at minimum a detailed statement of receipts and disbursements to the school board and applicable school principal each year.

(7) That a local school support group must maintain financial records of the support group for a period of at least 3 years.

(8) That a local school support group must provide upon request to officials of the local school board, local school principal, the comptroller of the treasury access to all books, records, and bank account information for the group.

(9) That a local school support group may not give away, donate, sell, auction, place a lien upon or lease school property.

(10) That school employees including athletic coaches, trainers or sponsors of school-sponsored student groups may not act as a treasurer or book keeper for a local school support group.

(11) A majority of the voting members of any school support group board may not be school employees.

(d) A local school board may adopt a policy which is more restricted than the requirements provided for in (c).

#### SECTION 6.

(a) A local board of education shall notify students, parents, and the general public as to which entities or groups it recognizes as a local school support group. This notification should be made at minimum by forms of written and/or electronic means.

(b) Any local school support group which has been approved by the board of education pursuant to paragraph (b) may represent to students, their parents, and members of the general public that their group is a recognized local school support group for the school district or school.

#### SECTION 7.

(a) Regardless of who the individual is who collects or receives any activity funds, all activity funds are to be turned over to the properly designated school official and considered as activity funds for the purpose of Tenn. Code Ann. Sec. 49-2-110.

(b) Money raised from the sale of concessions at all school events involving students including entertainment, athletic, or academic events shall be considered activity funds. However, a local board of education may grant the principal of a school the authority to enter into an agreement with a local school support group pursuant to the provisions of (2)(b) to operate and collect money for a concession stand at a related school entertainment, athletic, or academic event provided that a non school official is in charge of collecting and accounting for all the money collected or received. If a local school support group enters into an agreement under the provisions of this part, any money it collects shall be considered as school support group funds and not as activity funds.

#### SECTION 8.

(a) A nongovernmental group or organization including all school support groups may not:

(1) Use the school's or school district's sales tax exemption to purchase items;

(2) Represent or imply that its activities, contracts, purchases, or financial commitments are made on behalf of or binding upon any school or school district;

(3) Use school support group funds for a purpose other than ones related to the goals and objectives of the local school support group which must relate to supporting a school district, school, school club or school athletic, performing arts or academic activity; or

(4) Maintain or operate a bank account which bears the employer identification number of a board of education, school board, school, or any other governmental entity. Any funds deposited into such an account shall be considered as activity funds.

(b) A nongovernmental group or organization may not use a school district's or school's name, mascot and/or logos, facilities or property to solicit money from students, their parents, or members of the general public without prior authorization from the local board of education or their designee.

SECTION 9. A local school support group or any group or organization which raises money and represents itself as a school support group shall be subject to audit by the office of the comptroller of the treasury.

SECTION 10. This act shall take effect upon becoming a law, the public welfare requiring it.